FOREIGN AGRICULTURE

EC and Middle East Grain Forecasts

P.L. 480 Dollar Sales Rise

August 16, 1971

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This week's cover:

The moisture content of wheat is tested at a silo in France. Output of wheat and feedgrains in Western Europe may reach record levels in 1971. See story beginning this page.

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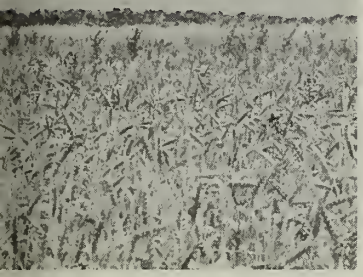
Western Europe's Wheat and Feedgrains Rebound to Possible Record Output



By MARSHALL H. COHEN
Foreign Regional Analysis Division
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Grain production in 1971 in Western Europe is expected to rebound from last year's 4-percent decline and possibly surpass the 1969 record of 120 million tons. Higher production is probable for both breadgrains and feedgrains, although weather during the remainder of the growing and harvesting season will be important in determining the final outturn.

Greater grain production may be expected in 1971 both because area planted to many of the principal grains has increased in nearly all the major producing countries and because yields are also probably up compared with 1970.

Last year, abnormal weather patterns prevailed throughout Western Europe. A cold spring delayed plantings. Then a protracted period of drought in some of the northern countries and Spain further depressed output.

This crop year—on the other hand—weather conditions have been highly favorable for plant growth. First, in most of Western Europe, autumn weather in 1970 was favorable for planting. Then, there was a minimum of winter kill in Western Europe, and spring weather was excellent, except in Ireland where heavy rains delayed spring planting.

Much of the increase in total grain output is expected in countries of the European Community. These produce over half of Western Europe's grain. Last year total EC grain output was about 67 million metric tons—over 3 million tons below the 1969 record. This year higher expected yields from greater area, especially for wheat, will likely result in total grain production reaching a record level sharply above 1969. Increases in area sown to wheat have been recorded for the principal Common Market producing countries—France, Italy, and West Germany; and these three countries normally account for about 65 percent to 75 percent of the total harvest of West European wheat.

In France preliminary estimates report a 10 percent increase in total wheat area in 1971. Assuming yields are relatively high, as expected, production could reach 14 million to 15 million tons compared to about 13 million tons last year. If such output occurs, France could be forced to rebuild stocks to surplus levels.

An especially sharp rise in durum wheat output is expected in France. As of April 1, 1971, acreage was about 65 percent above last year's.

Wheat output in West Germany for 1971 is estimated above last year's level of about 5.8 million tons but below the 1968 record of nearly 6.2 million tons. However, rye output in Germany, which has trended downward in the last decade, may attain the 1969 level of about 2.9 million tons owing to higher yields and increased area.

Despite an emphasis on increasing production of feedgrains, Italian farmers—spurred on by good profits—increased area planted to winter wheat in 1970. Increased area combined with excellent weather could result in a new record output of Italian winter wheat close to 10 million tons.

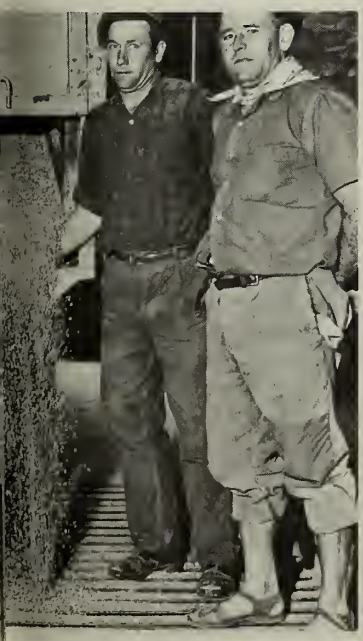
Durum wheat, about one-third of total wheat produced in Italy, is also expected to reach a new record output in 1971.

The renewed uptrend in wheat production in the EC could result in another burdensome surplus situation such as that which occurred in the EC in 1968 and 1969.

For the countries outside the Common Market an expected improvement in yields may increase output of wheat in several of the traditional major producing countries.

In the United Kingdom, area is slightly higher than in 1970. Preliminary estimates had forecast a new postwar record of about 4.2 million tons of wheat—slightly above the 1970 record. However, an outbreak of a plant disease (yellow virus) that affects wheat may decrease yields.

Area of U.K. winter wheat is up especially, about 15 percent above a year earlier. An added incentive to farmers to plant wheat has been that deficiency



From top to bottom, grain in Western Europe: growth, harvest, and delivery to local silo for grading and storage.

payments on wheat, as of July 1, 1971, are to be based on area grown rather than tonnage sold. Thus, low-yielding farms will qualify for relatively higher payments.

In Spain and Austria, production is expected to increase. While these countries have at times experienced wheat surpluses in the past, no formidable surplus problems are anticipated in calendar year 1971.

In Greece, a bumper wheat crop of about 2 million tons is possible. If a surplus results, large amounts may be absorbed as feed for the expanding livestock sector—a development encouraged by the Government in an effort to reduce the country's expenditures on imported corn.

The possible improvement in wheat production in Spain would largely be due to higher yields reflecting the improvement in weather this year.

For the Scandinavian countries, wheat output could increase moderately. In both Sweden and Denmark, where wheat yields are among the world's highest, production should be greater despite lower seeded acreage. In Finland, wheat production should continue to decline as a result of a soil bank program, under which farmers have contracted to keep wheat and other crop land out of cultivation.

Record grain output in Western Europe in 1971 will not be the result only of greater wheat production. Feedgrain production in Western Europe has resumed its long-range uptrend, possibly reaching the 1969 record of over 68 million tons. Throughout Western Europe the increase in feedgrain output will largely be due to higher yields of feedgrains.

Last year's decline in feedgrain output was chiefly owing to lower yields of barley which resulted in a 10-percent production decline despite higher acreage. This year barley acreage is estimated the same as in 1970—about 32 million acres. However, with the expected improvement in yields, barley output could be around 3 million tons greater than a year ago.

An increase in barley output could result in a disposal problem because the use of barley as livestock feed has been declining in recent years.

In both France and West Germany, the EC's major barley-producing countries, output is expected to be above last year's level but below that of 1969. Barley area in France has been partly replaced with corn, but higher yields should offset the decline in area.

Barley output in the major barley-producing countries outside the Common Market—the United Kingdom, Denmark, and Spain—is also expected to increase in 1971.

In Denmark, barley was in scarce supply in 1970, and barley imports were necessary because of an increase in hog numbers (to record levels) and lower domestic feed barley output. With a bumper barley crop expected in 1971, Denmark's 1970 deficit feed situation should not recur.

Corn, the only major feedgrain that did not have lower output in 1970, is expected in 1971 to exceed last year's record of about 17 million tons for all Western Europe. Western Europe's corn production in 1971 may reach 18 million tons—more than double the 1960–64 average.

In the EC countries, where corn is in deficit, farmers have been encouraged to increase production to meet a continued demand from livestock industries. Also, increased use of high-yielding hybrids has permitted corn plantings in areas previously unsuited for satisfactory maturation. Thus, in both France and Italy—where production increased to record levels of 7.4 million and 4.7 million tons respectively in 1970—area planted to corn has shown an increase in 1971.

An increase in corn output is anticipated in countries outside the Common Market as well. In Spain, an increase in area and yields should contribute to an output level at least equaling last year's record of 1.9 million tons.

Increased area in both Austria and Greece should contribute significantly to the higher corn output. In Austria, corn production was at relatively high levels in 1970 despite a 12-percent drop to about 600,000 tons. Austria's corn production should recover to 1969 levels (over 700,000 tons) this year. Both price policies and restrictive import regulations have been used to encourage farmers in Austria to increase corn output.

In Greece, larger area could boost corn output to a new record, surpassing last year's output of 530,000 tons. Production of corn, a deficit feedgrain in Greece, has been encouraged by the Government, which fixes corn support prices relatively higher than those for wheat and barley.

Unloading seed wheat, Turkey.

Wheat Needs Still High in Countries of Middle East

By ANSEL S. WOOD
Grain and Feed Division
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It now appears that imports of wheat and flour into the Middle East will be nearly as high in the 1971–72 supply year (July-June) as in the year just past. In 1970–71, they jumped to about 4 million metric tons, from 2.9 million the year before, as the result of a 1970 drought that covered the whole area. This year, they may be as much as 3.8 million tons, even though production is likely to rise by a half-million tons to about 16.8 million.

In the countries close to the Mediterranean, production is much improved this year because of good moisture conditions. It is the more serious drought

conditions from Iraq eastward that are holding the wheat deficit for the overall area at a high level for the second successive year.

Turkey, the biggest wheat grower in the Middle East, anticipates a 9-million-ton harvest this year, a million tons above 1970—making it, in effect, self-sufficient in wheat, though it has imported 800,000 and 700,000 tons in the past 2 years. Turkey has, however, been granted 400,000 tons of wheat by the World Food Program—to be supplied by the European Community—for stock buildup purposes; and at least part of this may be shipped during 1971–72.

Cyprus has a good crop of about 85,000 tons, as against 49,000 in 1970, and may import 35,000 to 40,000 tons this year. **Syria's crop** is estimated at a normal 600,000 tons. This is 100,000 tons above 1970, and import needs may be down a similar amount, to around 250,000 tons.

Lebanon's crop is at the 50,000-ton level of last year. **Israel's** is reported at 180,000 tons, up 60,000; **Jordan's,** at 190,000 tons (including the West Bank), up 110,000 tons. Shipments of wheat and flour to these three traditional importers should be at least 150,000 tons below the 900,000 of 1970–71.

Saudi Arabia and other states of the Arabian Peninsula (including Kuwait, Bahrain, Qatar, the Trucial States, Muscat and Oman, Yemen, and Southern Yemen) normally are importers of wheat and flour, in the amount of about 550,000 tons. Imports, then, for all these western countries of the area—Turkey through Saudi Arabia—may add up to about 1.6 million tons in 1971–72, or about a million tons less than last year.

Eastward, the story is quite different. With the developing season, the effect of drought has become critical. It now appears that **Iraq** will have to import some 600,000 tons—even more than the abnormally high 500,000 tons of 1970–71. The deficit for **Afghanistan** is currently over 250,000 tons. **Iran's** crop is now estimated as down sharply from last year's—3.2 million tons compared with 3.8 million; and its import requirements for 1971–72 are forecast at a full million tons, whereas last year's imports were 470,000. It is notable that Iran was self-sufficient in 1969–70 and exported 200,000 tons in 1968–69.

Middle East: Wheat Supply

Item	1966-67	1967-68	1968-69	1969-70	1970-71[1]	1971-72[2]
Area (mil. ha.) ..	17.4	18.4	19.1	18.9	18.5	18.6
Yield (q./ha.) ...	8.7	9.7	9.5	9.2	8.8	9.0
	Mil. metric tons	*Mil. metric tons*	*Mil. metric tons*	*Mil. metric tons*	*Mil. metric tons*	*Mil. metric tons*
Production	15.1	17.8	18.1	17.4	16.3	16.8
Imports	2.0	1.9	2.1	2.9	4.0	3.8
Disappearance[3] ...	17.1	19.7	20.2	20.3	20.3	20.3

[1] Preliminary. [2] Forecast, based on field reports as of July 15, 1971. [3] Derived; includes net changes in stocks. Regional exports less than 50,000 tons. Note: Countries included—Turkey, Cyprus, Syria, Lebanon, Israel, Jordan, Saudi Arabia, other states of Arabian Peninsula, Iraq, Iran, and Afghanistan.

For these three easternmost countries, then, 1971–72 import needs could total around 1.9 million tons, compared with 1.1 million in 1970–71 and only 183,000 in 1969–70.

Traditionally, the **United States** has supplied about 50 percent of the wheat imports of the Middle East. This share was apparently maintained in 1970–71, with shipments of about 1.8 million tons. Turkey, the biggest individual U.S. market in the area of recent years, took about 500,000 tons in the supply year just closed. Other usual Middle Eastern destinations for U.S. wheat and flour include Lebanon, Israel, Jordan, and Saudi Arabia. Iran and Syria were customers again last year after having been out of the U.S. market for a couple of seasons.

In 1971–72, the prospect is that the United States should hold its own in supplying wheat to the Middle East. Turkey is virtually out of the market, but Syria has already bought 40,000 tons of U.S. wheat; and the United States should be furnishing substantial quantities to Iran and some to Afghanistan as well. With other usual shipments, the United States should be able to maintain business at a high level for the region as a whole.

Australia has been supplying about 20 percent of the Middle Eastern wheat market, but its share jumped to 30 percent in 1970–71 with sales of about 1.1 million tons. Iraq and Iran, in-and-out Australian customers, took about 475,000 and 300,000 tons, respectively. Lebanon, Kuwait, Saudi Arabia, Yemen, and Southern Yemen continued as regular buyers of Australian wheat. In 1971–72, Australia may again have sizable exports to Iran and Iraq along with those to its usual customers.

The **EC** also has traditional trade in this area, mainly with Turkey, Lebanon,

(*Continued on page 16*)

Middle East: Wheat Import Sources

Source	1966-67	1967-68	1968-69	1969-70[1]	1970-71[2]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
United States:					
Commercial ..	525	521	185	273	722
Noncommercial	389	293	805	1,208	1,053
Total	914	814	990	1,481	1,775
Australia	645	550	295	409	1,143
EC	173	220	290	298	231
Canada	18	47	91	124	450
Other	135	123	260	474	350
Total	1,955	1,875	2,087	2,885	4,021

[1] Based on exports to area, mainly as reported by foreign suppliers. [2] Preliminary. Note: Countries included—Turkey, Cyprus, Syria, Lebanon, Israel, Jordan, Saudi Arabia, other states of the Arabian Peninsula, Iraq, Iran, and Afghanistan.

P.L. 480 Programs Gain Dollar Sales As Soft Currency Sales Decline

Sales of U.S. farm commodities under Public Law 480[1] reached an estimated $958 million in calendar 1970, slightly below the previous year's level, according to the Annual Report sent to Congress by President Nixon. Sales under Title I for hard currency or long-term credit rose, and Title I sales for foreign currencies fell, both for the fourth successive year; exports under the Title II donations programs remained virtually unchanged.

In transmitting the report, the President said, "The Public Law 480 program demonstrated its flexibility in 1970 both by responding quickly to the immediate needs of countries in distress, and by using food assistance to promote long-range development in developing countries."

The 4-year rise in dollar sales—from $194 million in 1967 to $436 million in 1970—and the 4-year decline for foreign currency sales—from $736 million to $267 million—are both in line with the intent of Congress. The 1966 legislation extending P.L. 480 directed a progressive shift away from foreign currency sales to sales under long-term credit agreements or for local currencies convertible to dollars. This transition to dollar sales is to be completed by the end of 1971.

The success of this policy can be seen in the fact that only four of the 36 Title I sales agreements and amendments signed in 1970 included even partial local-currency financing, a reduction from six the year before. And there are now nine countries pledged to pay entirely in dollars. These are Ceylon, Colombia, the Dominican Republic, Iceland, Israel, Jordan, Lebanon, Liberia, and the Philippines.

The 1970 Title I agreements were signed with 21 participating governments for a total export market value of about $638.4 million. This compares with 39 agreements signed with 22 countries in 1969 for a total export value of $904.7 million.

In receiving Title I commodities, countries commit themselves to certain self-help measures designed to improve their agricultural production and distribution facilities and ultimately decrease their dependence on outside assistance. While progress varies, many nations have gone even beyond their commitments; and several traditional P.L. 480 importers, particularly India, have sharply reduced or altogether stopped their takings under the Title I foreign-currency program.

Representative examples of self-help projects are Brazil's fiscal and credit incentive programs, Ghana's road reconstruction project under which 475 miles of feeder roads were built or improved in 1970, and India's grain measures which—aided by increases in yield and area—helped the country's grain production reach a record level of about 100 million metric tons by 1969–70.

One other factor in the reduction of P.L. 480 exports is the greater participation in food aid programs by Canada, Japan, members of the European Community, and other developed countries that now divert more of their agricultural surpluses to developing nations.

In terms of dollar value, the countries that received the largest amounts of commodities programed during 1970 were Vietnam, Pakistan, Indonesia, and Korea. For the first time in many years, no agreement was signed with India in 1970, although shipments of commodities to that country continued under previous agreements and under advance procurement authorizations.

Wheat was the major commodity exported—both in quantity and value—although the share of total U.S. wheat exports shipped under Public Law 480 has dropped from as much as 80 percent a few years ago to only about 33 percent in 1970. Other major commodities exported under the program in

[1] The Agricultural Trade Development and Assistance Act of 1954.

Far left, U.S. wheat under P.L. 480 dollar sales pours into ship's hold. Left, Title II commodity donations help feed Korean school children.

1970 were feedgrains, rice, soybean oil, and cotton.

Foreign currencies received from commodity sales under Title I of Public Law 480 not only provide assistance to foreign countries, but also help the U.S. balance of payments. This comes about when foreign currencies are used for purposes that would otherwise require the expenditure of dollars. In fiscal 1970, these balance of payments benefits totaled about a third of a billion dollars.

The uses to which foreign currencies from sales of commodities under Title I of Public Law 480 are put span a wide range of activities. These extend from projects to develop new export markets for U.S. agricultural products to the erection of buildings overseas for Government use to the financing of various scientific, educational, and cultural programs.

Local currencies generated by the sale of Title I commodities—equivalent to $512,000—were used in 1970 to finance nine marketing research grants abroad to improve marketability, quality, processing, and storage of agricultural products. Nine other grants equivalent to $365,000 were issued by USDA for research to develop improved uses for U.S. farm commodities.

The agricultural export market development program is sponsored cooperatively by the Government and by numerous private U.S. agricultural trade and producer groups. The Government contribution to this program has been financed with foreign currencies generated by Title I sales of U.S. agricultural products, either used as local currency or converted to hard currency.

In 1970, funds spent for agricultural export market development totaled an estimated $29.3 million—roughly $13.5 million in Government funds and $15.8 million from private U.S. and third-party cooperators. In each of the past 3 years, private contributions have exceeded Government expenditures.

Market development activities include advertising, merchandising, trade teams, overseas exhibit participations, and demonstrations. These activities have reached over 100 countries around the globe since the program began 15 years ago.

Two new types of export market promotion programs were started in 1970: the use of trade relations specialists (TRS) and the Trade Opportunity Referral System (TORS).

The TRS is a specialist hired locally to assist the Agricultural Attaché and the Washington-based Trade Development and Evaluation Officer with overseas liaison work in connection with U.S. exhibits and other promotional events. TORS is a computerized system whereby overseas trade inquiries about U.S. foods and other agricultural products are matched with U.S. suppliers.

Title I foreign currencies are also made available as loans to U.S. firms or their branches, subsidiaries, or affiliates for business development and trade expansion in the country involved, and to U.S. or foreign firms for facilities to increase the consumption and use of U.S. agricultural products.

Eleven foreign currency loans with a total value of $17 million were made in India and Korea in 1970. Projects to be financed include a food plant, hotel facilities, refrigeration equipment manufacturing facilities, a liquefied petroleum facility, and a paper facility.

Public Law 480 also authorizes the use of foreign currencies—either as loans or as grants—to promote agricultural and other economic development in recipient countries. Particularly emphasized are food production, processing, and distribution.

In agreements signed during 1970, $7.9 million of foreign currency was allocated for economic development loans. Most of this went to Pakistan for continued aid to the Rural Public Works Program which is concentrated in East Pakistan.

An additional $24 million was allocated to Pakistan as economic development grants to further stimulate the development of East Pakistan.

Title II of Public Law 480 enables the United States to share its food abundance with underfed, malnourished, unemployed, and disaster-stricken populations of developing nations.

Title II commodity donations were made to 79 million people in 100 countries in 1970. Included among these were workers and their families employed and better fed through Food for Work projects; preschool and school age children, pregnant and nursing mothers, refugees, disaster victims; and those in relief and feeding programs.

The United States provided nearly $32 million in food to meet the emergency needs of people in 25 countries struck by various natural disasters.

The foreign donation activities of Public Law 480 are carried out by cooperating sponsors, including governments operating under bilateral agreements with the United States and various religious and secular U.S. voluntary agencies. In addition, food is contributed for refugee and disaster relief through the United Nations Relief and Works Agency, UNICEF, and other intergovernmental and multinational organizations.

The United States also participates in the World Food Program (WFP), a joint undertaking of the United Nations and the Food and Agriculture Organization, and makes its contribution under Title II of Public Law 480.

In January 1970 the United States pledged to contribute up to $125 million toward the WFP goal of $300 million for the 1971–72 biennium. The pledge included up to $85 million in commodities, plus an estimated $37 million in ocean freight required to ship the commodities, and $3 million in cash for administrative support.

FRANCE VER

IN LIVEST

By JAMES M. BENSON
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Paris

During the past 10 years, livestock and livestock products have regularly accounted for more than half the value of France's total agricultural sales; red meat, for more than a fourth. These percentages could rise in the future, however; current trends and Government policy in the raising of cattle, swine, and sheep seem to indicate that France has reached a situation where a rapid increase in animal numbers and meat supply could occur.

A larger animal population in France could increase the demand for domestic feedgrains and perhaps reduce the quantities that France would have available for export. It could also increase the demand for protein supplements such as soybean meal.

In the last complete marketing year (1969–70), France bought 623,000 short tons of soybean meal and 7.9 million bushels of soybeans from the United States. By May of the current year, it had bought 478,600 tons of meal, 15 percent more than in the same period of the year before; and its purchases of beans, at 9.9 million bushels, were already higher than for all of 1969–70.

For cattle, current trends apparently add up to more emphasis on the production of meat as against milk; for swine, to rapid modernization of the industry in response to rising consumer demand for pork; for sheep, to some success in Government efforts to reverse the long-term decline in France's mutton and lamb self-sufficiency.

Cattle numbers, which ranged around 15.5 million before World War II, rose rapidly during the 1950's; by 1960 they had reached 19.5 million. Then the increase slowed, and the cattle population now seems to have stabilized. At 21,621,000 head on December 31, 1970, it was 98,000 lower than the previous December.

The interesting change in the past 3 years has been a small but steady increase in emphasis on the production of beef rather than milk. With but little rise in total cow numbers—from 10,783,000 to 11,008,000—the percentage of cows used for milk production fell from 78.5 to 76.6 and all the increase came in beef cows.

Part of this trend away from milk has been the result of EC and French efforts to reduce milk production by encouraging farmers to slaughter their dairy cows or turn to beef production. Low milk prices and long working hours have also forced many farmers to try something besides dairying, and beef herds are one solution. There is considerable interest in modern American feedlot-to-slaughterhouse-to-supermarket beef operations, including the direct investment of American money and management.

The 1968 census of cattle listed 30 different breeds. Two dairy breeds—Normande and F.F.P.N. (Friesian Française Pie Noir, originated in Holland)—accounted for 60 percent of the 8,712,000 registered cattle in France; two other breeds—Charolais and Pie Rouge de l'Est (Simmenthal) for 28 percent. The minor races are declining rapidly as farmers are upgrading their herds, either for milk production by crossing with F.F.P.N. or for meat production by crossing with Charolais, Limousin, or other meat types. Such crosses are literally changing the color of France's cattle.

France's bull population was estimated at 173,700 head on December 31, 1970—up 2,000 from the low of

Below, Rambouillet ewes, raised for both milk and meat. At bottom, dairy cows. Dairy surpluses have induced some switching to production of meat. (Photos: Ministry of Agriculture.)

1969. With the decline in bull numbers has come a sharp rise in the use of artificial insemination. A.I. is practiced on about two-thirds of all the cows bred and is the main means for upgrading the dairy herds.

Swine numbers in France were estimated at 11,215,000 head as of December 1, 1970—9 percent more than a year earlier and 17.5 percent more than for the same date in 1968. The rate of increase has been higher for sows, boars, and light pigs than for fat hogs, since France has been on the upswing in the pig cycle during this period.

Hogs are apparently becoming big business for French farmers. There is a rapid movement toward larger and more modern hog operations, to judge from a survey taken as of last December 1. For example, the number of farms having 9 or fewer hogs fell 25 percent from 1968 to 1970, while those having 20 and more rose 15 percent. Owners of fewer than 10 hogs represent two-thirds of France's hog farmers; but owners of more than 20 hogs, though representing only a fifth of the farmers, account for 78 percent of the hog population of France.

The number of farms with 10 or more sows is an estimated 34,000—twice as many as in 1966, and accounting for 52 percent of all sows; and there are now some 1,700 farmers with 50 or more sows, the average number owned being 77.

The number of larger fat hog operations is also on the upswing. In December 1970, 22 percent more hogs than the year before were going through operations handling 100 hogs or more, and these accounted for 38 percent of total hogs fattened.

These changes in France's hog industry represent a complete departure from the old ways. In 1862, and for nearly a hundred years thereafter, pork production was of minor importance; the swine population ranged around 6.5 million, and pork was a sort of indirect byproduct of the dairy industry, pigs being kept for disposing of skim milk and whey, which were direct byproducts in the manufacture of butter and cheese.

In line with the move toward largeness of operation comes demand for whole feed mix. This can be a boon to American soybean growers, for modern feed rations in France lean heavily on high-protein additives, especially soybean meal.

In 1961, for the first time, the swine population moved ahead of the sheep population. France is still, however, a deficit pork producer, having supplied only about 80 percent of its national consumption during the past 2 years. Based on current conditions, France would need a herd of female producing stock of between 1.5 million and 1.6 million head to supply its commercial pork consumption of 1.3 million tons. Yet on December 1, 1970, sow numbers were only 1,382,000.

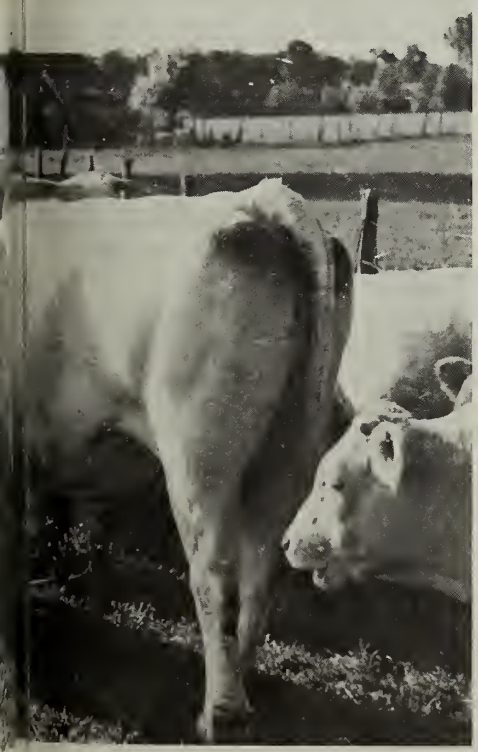
Sheep numbers, which had long been on the decline from the 29.5 million of 1862, reached a low point of 6.6 million in 1945 and then began to recover somewhat. For the past 8 years they have been on an upward trend, and during each of the past 2 years they exceeded 10 million.

This long slump has been of great concern to the Government and the sheep industry, for France's self-sufficiency in mutton declined to about 75 percent. In 1970, the Government introduced a plan to encourage sheep production. This includes premiums of $9.00 maximum per female lamb raised and added to the flock above the normal 20-percent replacement rate; grants for housing and feeding facilities to sheepraisers signed up under one of the producer group plans; and grants for approved group or cooperative-type plans.

During 1970, plans for 44 such "groupements" of producers and premiums for an estimated 150,000 lambs were approved. However, France's consumption of lamb and mutton is equivalet to a slaughter of 8.5 million sheep with an average carcass slaughter weight of 37 pounds. Thus, under current production practices, France would need a sheep population of more than 13 million head just to meet 1970 consumption requirements.

S ON RISE

K AND MEAT OUTPUT



Left, Charolais cattle, a major French breed, much used in crosses to upgrade herds for meat production. Below, a boar, characteristic of those raised on most small French farms.

Cotton Consumption Boom Reduces Nigerian Exports

By CHARLES H. BARBER
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Nigeria's rapidly growing cotton textile industry has outpaced its expanding cotton production and caused a decline in cotton exports from 114,000 bales (480 lb. net weight) in 1967–68 to 90,000 in 1969–70.

Exports might have declined further in 1970–71 because of a poor cotton crop in 1970 except for large stocks carried over from the previous year's record production which will help keep exports at a high level this year.

Cotton production. The 1970 crop—175,000 bales—was less than half the size of 1969's 420,000 bales which was in turn double the 1964–68 average. The 1970 downturn resulted mainly from inadequate rain which started late, ended a month early, and dumped too much water in the middle of the season. The rainy season was followed by a prolonged period of hot dry winds from the Sahara Desert to the north which caused further damage to crops.

There were only small variations in planted acreages in 1970, although changes in the weather caused wide differences in yields per acre.

Commercial cotton production—introduced into Nigeria in 1902 by the British Cotton Growing Association—first exceeded 100,000 bales in 1951 and 200,000 bales in 1957. Since 1957, production has fluctuated between 125,000 and 260,000 bales except for 1969, when exceptionally favorable growing conditions resulted in a crop of 420,000 bales.

In general, Nigeria's cotton yields are low and range between about 100 and 150 pounds per acre. However, both acreage and average yields are difficult to estimate accurately because cultivation is almost entirely on small plots averaging little more than 1 acre—with cotton often being interplanted with other crops. Total area in 1969 and 1970 was estimated at 1 million acres. This followed about 10 years in which estimates of annual totals remained—with little change—at around 800,000 acres.

Efforts to increase cotton acreage and yields are hampered by traditional cultivation methods—dependent almost entirely on hand tools—and by a lack of capital for equipment, fertilizer, and insecticides—a shortage inherent in this type of small-scale operation.

Food crops are always given a high priority for labor and capital, both in the planting and harvesting periods. This means that cotton—which is planted after sowing of other crops is completed—does not get the full benefit of seasonal rains and gets only residual attention when labor is scarce, even when there is favorable weather for cultivation or harvest.

Dissemination of planting recommendations, market news, and other information to small-scale growers—although available—is not effective in bringing about needed improvements. However, because of seed distribution controls, farmers are using new and improved varieties of seed developed by Nigerian research stations.

Nearly all of Nigeria's cotton is grown in the northern tier of States. The heaviest concentrations are in North Central, Kano, and North Eastern States, although small quantities are grown in the three States touching on the western border of the country.

Mill consumption. Mill consumption of cotton has risen rapidly during the past 5 or 6 years—from 45,000 bales in 1962–63 to an estimated 175,000 bales in 1970–71—about equal to the total 1970 crop. Construction of new mills—principally by European companies—is continuing, but a total capacity of 300,000 bales is needed to produce the cotton textiles now being sold on the Nigerian market.

In the first 9 months of 1970, Nigerian mills produced 232 million square yards of cotton textiles and the country imported an additional 194 million square yards. Nigeria, with a current population of 60 million people and a high rate of population growth, may be expected to require increasing quantities of cotton textiles in coming years. The demand is still overwhelmingly for cotton fiber with very little use made thus far of manmade fibers.

Most of the mills are located in the cotton-growing areas, especially in the vicinity of Kaduna, about 600 miles north of Lagos.

Cotton exports. Cotton has been one of Nigeria's principal agricultural export commodities with annual totals of between 100,000 and 200,000 bales in all except 2 years since 1952–53. However, the trend appears to be downward in recent years because local mill consumption has been growing faster than cotton production.

Exports in the current year are expected to total around 140,000 bales, despite the severe drop in production. Large stocks—estimated at 268,000 bales—were carried over on August 1, 1970, from the record crop of 420,000 bales produced in 1969–70.

The principal export markets in the past 2 years were Italy, Belgium, Netherlands, France, and the United Kingdom—in order of importance.

No import statistics are recorded for earlier years but there is a possibility that export commitments for 1970–71 may have overdrawn the reduced supply and could result in small imports to meet mill needs before the crop is harvested beginning in November 1971.

Cotton marketing. All seed cotton is purchased by licensed buying agents for the various cotton marketing boards. Each cotton-growing State has a marketing board.

The cotton is delivered in small quantities by growers to collection centers and hauled from there by truck to the gins. All cotton gins in Nigeria are owned and operated by the British Cotton Growing Association and ginning is done on a fixed-fee basis for the marketing boards.

Baled cotton passes directly from the marketing boards to local spinning mills or is sold to the Nigerian Produce Marketing Company—the only agency with authority to sell cotton for export. Prices paid by domestic mills are world prices adjusted for location.

Cotton classing is done in Liverpool, England, from samples, and classing results are returned to Nigerian selling agents before final sales contracts are made.

Prices paid to growers were increased in 1968 and remained at the same level

for the 1969 and 1970 crops. The price schedule provides for only three classes with prices as follows for seed cotton at local collection centers: For Grade 1, 7 cents a pound; for Grade 2, 5.83 cents; and for Grade 3, 5.25 cents.

Prices for ginned cotton—as quoted by the boards to local mills (reportedly the same as c.i.f. Liverpool prices) and to the Nigerian Export Company—are flexible but include a sufficient markup to cover all overhead costs such as ginning, transportation, financing, and classing. On March 25, 1971, NA 1A (the highest quality—equal to Strict Middling 1-1/16 inches) was quoted c.i.f. Liverpool at 31.5 cents per pound.

Most of Nigeria's cotton is 1 to 1-1/32 inches in staple with a lesser quantity of 1-1/16 inches staple being moved in world cotton trade.

Outlook. Cotton production will continue to expand, especially in the North Eastern State where soil is more suitable than in most other States and where some irrigation projects are planned.

Available new acreage for cotton is abundant and excellent weather information and guidance in cultivation methods are available from several research stations attached to Nigerian universities.

The principal needs are for capital for mechanized equipment, fertilizers, insecticides, and for a more organized effort to get a significant portion of production on a commercial scale.

Transportation facilities are still inadequate and development of a system of feeder roads to the producing areas also is needed. Several paved two-lane, cross-country highways are already in use.

Cost (to the grower) of production under the present subsistence type agriculture on village-owned land is very low, involving little more than hand tools, a cotton sales tax (0.18 cent a pound of seed cotton), and a small poll tax. Seeds are distributed free of charge and subsidies of up to 50 percent are paid on fertilizers and insecticides when used.

The heavy costs—involving ginning, transportation, handling, and administrative expenses—are covered by the marketing organization. The profit margin is the spread between the prices paid to producers and those received from domestic mills and exporters.

New Zealand's New Budget Provides More Widespread Aid to Farmers

New Zealand's budget for 1971–72 is up 10.5 percent from the year before. Total expenditures under the budget will be US$2,148 million. A larger portion than ever before is to go to the agricultural sector of the economy because widespread assistance to farmers is high on this year's list of priorities.

Although the new budget is higher than the Government wanted, it does contain certain restrictions. The restrictions, together with increased tax revenues, are expected to enable the Government to hold the budget deficit to about $69.4 million, compared with about $90.7 million in 1970–71.

One such restriction is in the farm program. The assistance for New Zealand farmers included in the budget is not as extensive as the parity-type cost adjustment scheme which was sought by the New Zealand Federated Farmers to help fight the sharp rise in farm prices over the past 12 months. This scheme, which had an estimated cost of $112 million, would have used 1964–65 prices as a base for adjusting farm income.

Representative of the cost increases are the prices paid by sheepfarmers in 1970; costs rose 5 percent, the largest increase in 20 years. Wages and subsistence, contract work, and repairs and maintenance all rose 10 percent. Shearing costs were up 19.6 percent, and depreciation was up 12.2 percent. Other increases were: fuel and power, up 3.6 percent; feed and grazing, up 2.8 percent; rail and cartage, up 5.8 percent; insurance, up 2.1 percent; and taxes, up 8.1 percent. The only price decrease was in fertilizer, lime, and seeds, which were down 9.6 percent.

In spite of these increased farm costs, the Government decided against massive across-the-board subsidies. Instead it decided to continue and enlarge its policy of selective assistance, endorsing the view of the National Development Council that it would be inappropriate to consider long-term decisions on farm subsidies until the outcome of Britain's EC entry bid is known.

Some of the major measures provided for in the budget were:

- Subsidies for about 40 to 45 percent of the total cost of lime fertilizer delivered to hill-country farmers at an estimated cost of $14.6 million.
- A continuation of subsidies on weedicides and pesticides, emergency

(*Continued on page 16*)

Right, sheep-shearing event at Trentham Agricultural Show in Wellington.

FAS TRADE FAIR SCHEDULE FOR FISCAL 1972

date	country and fair	type of exhibit
September 12-20, 1971	Mexico—Torreón Dairy Show	Featuring dairy cattle and feedgrains.
September 11-20, 1971	Italy—Cremona Dairy Show	Dairy cattle and feedstuffs.
September 25—October 1, 1971	Germany—Cologne (ANUGA)	Largest international food and beverage exhibition in Europe.
October 4-5, 7-8, 1971	United Kingdom—Trade shows in Newcastle, Leicester	Experimental shows to attract key buyers featuring a variety of food items.
September 1971	Japan—Osaka, Nagoya	Featuring mohair.
October 1971	Mexico—Mexico City Latin American Poultry Congress	Featuring animal fats for feed.
November 2-4, 1971	Jamaica—Kingston Trade-only exhibit	Featuring poultry, red meat, fruits and vegetables, specialty items.
November 8-9, 1971	Netherlands—Curaçao, Antilles	Same as above.
November 12-13, 1971	Barbados, West Indies	Same as above.
November-December 1971	Japan—Nagoya-Takamatsu Fukuoka-Hiroshima	Featuring meat products, fruits and vegetables, juices, etc.
December 1971	Mexico—Querétaro	Dairy promotion and seminars.
January 18-21, 1972	Italy—Milan Trade Center	Featuring meat cuts, frozen turkey, feedgrains, seeds, fruits.
January 6-14, 1972	United Kingdom—London Hotelympia	Biennial exhibit for European catering trade featuring catering items.
January 1972	Mexico—León	Dairy, swine, and three horse shows.
January 1972	Germany—Berlin Green Week	An annual show which attracts exhibitors and visitors from all parts of Europe.
February 21-25, 1972	Netherlands—Utrecht (ROKA)	Featuring processed foods.
February 1-March 1, 1972 (1 week during this period)	United Kingdom—London Trade Center	Introducing new lines of frozen foods. Featuring catering packs.
February 1-March 15, 1972	United Kingdom—London Trade Center	2-day hides and skins show featuring shoes, handbags, etc.
February 1-March 15, 1972	United Kingdom—London Trade Center	2-day seeds show
March 10-19, 1972	Italy—Verona	Featuring beef and dairy cattle.
April 1972	Japan—Tokyo Trade Center	Featuring leather products.
April 30-May 9, 1972	Italy—Foggia	Featuring livestock, feedstuffs.
May 1972	Spain—Madrid Feria del Campo	Featuring livestock, feedgrains.
May 29-June 2, 1972	Italy—Reggio Emilia	Featuring U.S. hogs, feed ingredients.
May 1972	Mexico—Mexico City	National Brahman show.
June 1972	Portugal—Santarém Fair	Featuring livestock, feedgrains.

This is a tentative schedule subject to change. For additional information about these events, U.S. firms should contact the International Trade Fairs Division, Foreign Agricultural Service, USDA, Washington, D.C. 20250.

CROPS AND MARKETS

Grains, Feeds, Pulses, and Seeds

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Aug. 11	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-13.5	1.92	−3	1.97
USSR SKS-14	1.85	0	(1)
Australian FAQ	1.72	−6	(1)
U.S. No. 2 Dark Northern Spring:			
14 percent	1.86	−2	1.93
15 percent	1.96	+3	1.97
U.S. No. 2 Hard Winter:			
13.5 percent	1.83	0	1.84
No. 3 Hard Amber Durum	1.78	−2	1.81
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	1.62	−3	1.72
Feedgrains:			
U.S. No. 3 Yellow corn	1.49	−9	1.71
Argentine Plate corn	1.65	−6	1.79
U.S. No. 2 sorghum	1.54	−5	1.55
Argentine-Granifero sorghum	1.57	−5	1.57
U.S. No. 3 Feed barley	1.13	−4	1.15
Soybeans:			
U.S. No. 2 Yellow	3.59	−3	3.24
EC import levies:			
Wheat [2]	1.45	+2	1.43
Corn [3]	.91	+8	.71
Sorghum [3]	.93	+9	.80

[1] Not quoted. [2] Durum has a separate levy. [3] Until Aug. 1, 1972, Italian levies are 19 cents a bu. lower than those of other EC countries. Note: Basis—30- to 60-day delivery.

Fats, Oils, and Oilseeds

India's Oilseed Meal Exports Recover

India, the world's third largest exporter of oilseed meals, registered a 147,000-metric-ton increase in exports in 1970. The 21-percent increase in volume to 860,000 tons from the reduced 1969 volume of 713,000 tons was largely a result of increased exports of peanut meal from the 1969-70 crop.

In 1971 a further significant increase is anticipated in India's cake and meal exports—principally peanut meal from the record 1970-71 crop. The 1971 volume could approach the record volume of nearly 1 million tons exported in 1964.

About 500,000 tons, or 58 percent, of India's cake and meal exports in 1970 moved to East European countries, including 90,500 tons to the USSR. In 1969, Eastern Europe was reported to have taken 431,600 tons of which 49,100 tons moved to the USSR. Other major movements in 1970 (with 1969 figures in parentheses) included the United Kingdom, 182,000 tons (158,200) and Japan, 160,300 tons (100,700). These countries account for virtually all of India's cake and meal exports.

INDIA'S PRODUCTION AND EXPORTS OF OILSEEDS AND MEALS

Item and year	Peanut [1]	Cottonseed [2]	Rapeseed [3]	Linseed [3]	Copra [4]	Total
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Seed production:						
1965-66	4,231	2,008	1,276	503	270	—
1966-67	4,411	2,008	1,228	335	274	—
1967-68	5,731	2,312	1,567	260	274	—
1968-69	4,631	2,138	1,347	438	279	—
1969-70	5,030	2,225	1,507	329	280	—
1970-71 [5]	6,065	2,008	1,525	415	280	—
Exports:						
1965	764	105	[6]8	1	20	898
1966	617	151	[6]20	12	19	819
1967	569	138	[6]18	5	7	737
1968	710	117	[6]12	14	6	859
1969	527	90	[6]64	23	9	713
1970	655	106	[6]64	27	8	860

[1] Harvested in September-January of year indicated. [2] Harvested in September-April of year indicated. [3] Harvested in January-April of first year indicated. [4] Harvested throughout the year. [5] Preliminary. [6] Includes other cakes and meals.

Buenos Aires Tung Oil Exports Up

Tung oil shipments from Buenos Aires, which represent virtually all the exports of that commodity from Argentina and Paraguay and the bulk of world exports, increased sharply to 74.6 million pounds in the marketing year ending July 31, 1971. This was a substantial increase over the 39.5 million pounds exported in 1969–70 but was below the record volume of exports in 1968-69. The increase reflected expanded oil output from the larger nut crop harvested early in 1970.

Exports from Paraguay at 36.9 million pounds accounted for 49 percent of the total, against only 34 percent of the volume in 1969-70.

Of the Paraguayan and Argentine total, 25.6 million pounds were reported to be destined for the United States, compared with only 11 million in 1969-70. Reportedly, about 70 percent of the volume going to the United States was from Paraguay alone. Exports to countries other than the United States, at 49 million pounds, were sharply above the 28.5 million exported in 1969-70.

Prices for South American tung oil ex-tank Rotterdam dropped sharply, averaging 15 cents per pound compared with 23.1 cents in 1969-70. The price decline reflected the

sharp increase in export movements from the 1970 crop.

Looking ahead to 1971-72 a significant drop in exports is anticipated—reflecting the smaller 1971 tung-nut crop. Combined tung oil production in Argentina and Paraguay is expected to decline by perhaps 30 million pounds in 1971-72 from the estimated 1970–71 volume of 90 million pounds.

TUNG OIL PRICES

Month	Year beginning August 1				
	1966	1967	1968	1969	1970
	U.S. cents per. lb.	*U.S. cents per. lb.*	*U.S. cents per. lb.*	*U.S. cents per. lb.*	*U.S. cents per. lb.*
August	15.7	11.3	9.8	15.0	18.9
September	15.5	11.3	9.8	16.7	18.6
October	15.2	12.1	9.9	25.1	17.7
November	14.8	13.5	9.6	25.1	17.8
December	13.1	14.1	12.0	25.5	17.2
January	13.1	14.0	11.6	25.9	15.8
February	13.0	13.7	12.4	25.9	14.3
March	12.2	12.7	12.6	25.7	13.4
April	11.8	11.2	12.6	25.5	11.7
May	11.7	11.0	13.3	23.9	11.3
June	11.8	11.0	14.9	22.0	11.3
July	11.6	10.8	14.9	20.9	11.6
Average	13.3	12.2	12.0	23.1	15.0

TUNG OIL SHIPMENTS FROM BUENOS AIRES

Month	Year beginning August 1				
	1966	1967	1968	1969	1970
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
August	2.8	4.3	4.4	2.9	5.5
September	6.0	4.6	6.2	3.9	4.5
October	3.3	12.5	6.6	6.1	6.7
November	7.7	4.6	6.1	4.5	7.0
December	4.5	11.4	5.9	6.5	5.4
Total (Aug.-Dec.)	24.4	37.4	29.2	23.9	29.1
January	9.1	5.4	4.0	4.2	7.3
February	4.9	3.6	9.6	2.0	7.4
March	5.8	2.7	7.8	4.1	7.9
April	6.9	5.3	8.9	2.0	6.5
May	4.8	2.3	7.3	.4	7.9
June	2.9	5.3	2.8	1.5	4.0
July	7.7	4.4	8.8	1.4	[1] 4.5
Total (Jan.-July)	42.1	29.0	49.2	15.6	45.5
Grand total	66.5	66.4	78.4	39.5	74.6
Total to U.S.	22.9	16.7	19.8	11.0	25.6

[1] Preliminary. Total computed from unrounded data. Compiled shipments data, *Boletín Marítimo,* Buenos Aires.

Livestock and Meat Products

U.S. Meat Imports Increase

U.S. imports subject to the Meat Import Law totaled 101 million pounds during June 1971, compared with 93.4 million in June 1970. Declared entries for consumption during January-June 1971, at 501 million pounds, were 13.9 percent below the amount imported in January-June 1970.

Larger entries for consumption from New Zealand, Ireland, Canada, and Nicaragua accounted for the gain. Imports from Australia totaled 51 million pounds. New Zealand followed with 24.1 million pounds, Canada with 7.4 million, Mexico with 6.2 million, and Ireland with 4.4 million.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW
[P.L. 88-482]

Imports	June	January-June
	Million pounds	*Million pounds*
1971:		
Subject to Meat Import Law[1]	101.0	500.8
Total beef and veal[2]	125.3	585.4
Total red meat[3]	167.7	826.4
1970:		
Subject to Meat Import Law[1]	93.4	581.4
Total beef and veal[2]	101.9	642.8
Total red meat[3]	145.3	888.5
1969:		
Subject to Meat Import Law[1]	85.7	484.7
Total beef and veal[2]	100.4	541.3
Total red meat[3]	136.0	758.3

[1] Fresh, chilled, and frozen beef, veal, mutton, and goat meat, including rejections. [2] All forms, including canned and preserved. [3] Total beef, veal, pork, lamb, mutton, and goat.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW BY COUNTRY[1]

Country of origin	June		January-June		Change from 1970 Jan.-June
	1970	1971	1970	1971	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Australia	56,780	50,992	279,982	204,464	−27.0
New Zealand	9,940	24,146	89,286	94,854	+6.2
Mexico	6,817	6,179	49,460	50,966	+3.0
Canada	6,821	7,415	39,931	40,364	+1.1
Ireland	3,796	4,367	33,888	38,391	+13.3
Costa Rica	2,087	1,479	24,912	29,643	+19.0
Nicaragua	2,792	2,863	23,315	19,281	−17.3
Honduras	1,559	1,513	14,405	9,305	−35.4
Guatemala	1,717	1,477	15,509	9,298	−40.0
Dominican Republic	691	466	4,071	1,392	−65.8
Panama	321	32	4,121	1,354	−67.1
United Kingdom	—	—	1,857	1,149	−38.1
Haiti	77	50	625	327	−47.7
Total	93,398	100,979	581,362	500,788	−13.9

[1] Fresh, frozen, and chilled beef, veal, mutton, and goat meat, including rejections. Excludes canned meat and other prepared or preserved meat products.

Tobacco

U.S. Tobacco Exports Down in Fiscal 1971

U.S. exports of unmanufactured tobacco were 39.8 million pounds in June 1971. This brought total exports for the year ending June 30 to 554.7 million pounds, down 3 percent from fiscal 1970. The value of exports was $37.6 million for June, bringing the total value for the year ending June 30 to $537.0 million. This was virtually the same as the value of exports for the previous fiscal year.

After a very poor showing for July-December 1970, exports rebounded in January-June 1971 to reach 254.7 million pounds—a record high for this period. The unusually high exports for the first 6 months of 1971 probably are the result of earlier than normal shipments in anticipation of shipping disturbances expected later in the year.

Flue-cured exports for the year ending June 30, 1971, were virtually the same as for the previous fiscal year. A 23-

percent decline in burley exports and a 15-percent drop for Kentucky-Tennessee fire-cured were offset by increases in exports of other types.

Manufactured tobacco product exports continued to increase in June and reached $201.3 million for the year ending June 30, 1971. This was a 14-percent increase from the $177.2 million exported during the previous 12-month period. Cigarettes, which account for most of the value of these tobacco product exports, were up nearly 2 percent. Smoking tobacco in bulk, the second largest product export on a value basis, was up 44 percent.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO, FISCAL YEAR
[Export weight]

Kind	June		July-June		Change from 1970
	1970	1971	1970	1971	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	26,141	27,206	414,070	412,010	— 0.5
Burley	8,080	6,959	52,611	40,407	— 23.2
Dark-fired Ky.-Tenn.	3,326	1,153	22,507	19,040	— 15.4
Virginia fire-cured[1]	686	530	4,940	5,203	+ 5.3
Maryland	904	315	10,441	9,106	— 12.8
Green River	115	72	338	1,005	+197.3
One Sucker	86	15	638	547	— 14.3
Black Fat	234	206	2,127	2,622	+ 23.3
Cigar wrapper	295	63	1,676	1,672	— .2
Cigar binder	9	1	600	340	— 43.3
Cigar filler	58	4	422	290	— 31.3
Other	2,373	3,274	60,702	62,459	+ 2.9
Total	42,307	39,798	571,072	554,701	— 2.9
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	38.7	37.6	539.6	537.0	— .5

[1] Includes sun-cured. Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	June		July-June		Change from 1970
	1970	1971	1970	1971	
					Percent
Cigars and cheroots					
1,000 pieces	4,610	3,503	58,217	63,792	+ 9.6
Cigarettes					
Million pieces	3,120	3,038	28,538	29,014	+ 1.7
Chewing and snuff					
1,000 pounds	20	8	63	43	—31.7
Smoking tobacco in pkgs.					
1,000 pounds	65	110	940	1,100	+17.0
Smoking tobacco in bulk					
1,000 pounds	1,452	1,906	20,085	29,012	+44.4
Total declared value					
Million dollars	18.7	20.1	177.2	201.3	+13.6

Bureau of the Census.

Record U.S. Tobacco Imports in Fiscal 1971

U.S. imports of unmanufactured tobacco for consumption (duty-paid withdrawals from custom bond for manufacture) for fiscal 1971 reached a record level of 223.9 million pounds, valued at $128.0 million, compared to 210.1 million pounds in fiscal 1970 with a value of $127.4 million. Most of the increase was cigarette leaf and scrap. The decline in average value appeared to be significant—from 60.7 cents per pound to 57.2 cents.

Imports for consumption during June 1971 were 20.4 million pounds, an increase of 2.6 million pounds, or 15 percent, compared with June 1970. However, the June 1971 imports were about equal to the quantity of duty-paid deliveries in June 1968. The value of imports at $11.1 million, was 2 percent higher than June a year ago but about 9 percent less than June 1969.

U.S. IMPORTS OF UNMANUFACTURED TOBACCO, FISCAL YEAR
[For consumption]

Period and kind	1970		1971	
	Quantity	Value	Quantity	Value
	1,000 pounds	*1,000 dollars*	*1,000 pounds*	*1,000 dollars*
July-June:				
Cigarette leaf(flue & burley)	3,695	1,182	6,311	1,489
Cigarette leaf, other	141,291	95,200	145,383	95,365
Cigar wrapper	595	2,463	568	1,982
Mixed filler and wrapper	302	1,106	196	882
Cigar filler, unstemmed	2,209	2,197	3,496	2,788
Cigar filler, stemmed	2,692	3,448	2,523	3,338
Scrap	58,816	21,669	64,904	22,154
Stems	452	158	559	37
Total	210,052	127,423	223,940	128,035
June:				
Cigarette leaf (flue & burley)	65	14	262	63
Cigarette leaf, other	11,925	8,292	13,588	8,361
Cigar wrapper	26	84	50	152
Mixed filler and wrapper	19	94	7	28
Cigar filler, unstemmed	135	158	165	107
Cigar filler, stemmed	246	319	183	248
Scrap	5,360	1,917	6,053	2,114
Stems	0	0	105	3
Total	17,776	10,878	20,413	11,076

Bureau of the Census.

Sugar and Tropical Products

Nigeria's Cocoa Exports Expand

Nigeria's cocoa bean exports in 1970 totaled 195,700 metric tons valued at $186.3 million, up from 173,608 tons valued at $147.3 million in 1969.

The United Kingdom was the largest recipient of the 1970 shipments, taking 53,100 tons, followed by the Netherlands and the USSR with 31,100 and 26,100 tons, respectively. Other major markets were West Germany and the United States with 24,600 and 21,000 tons, respectively.

Crops and Markets Index

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Foreign Agriculture

New Zealand's New Budget (Continued from page 11)

expenditures needed for abnormal climatic conditions, and the control of animal diseases. In particular, the Government plans to continue its program for the eradication of brucellosis, at a cost of $2 million.

• An increase in Government assistance with the New Zealand Wool Board's contribution to the International Wool-Secretariat from an estimated $2.2 million to $4.5 million.

• Government assistance for the review of the wool marketing system now being undertaken for the Wool Board.

• Payment of all the 1970–71 trading surplus—estimated at $8.2 million—to farmers. The Dairy Board, however, needs approval to pay more than 50 percent of the surplus back to dairy farmers.

In addition, a Committee of Inquiry will be set up to make recommendations on the question of farm lending in general, and the farm lending allocation of the State Advances Corporation will be increased by $11.2 million. The State Advances Corporation, New Zealand's principal agricultural lending agency, will introduce a mortgage-guarantee scheme designed to draw more funds from the private sector into the agricultural sector.

The budget also calls for a program to replace most import licensing with tariffs within 5 years. Some agricultural products, including meat, butter, and cheese, are already exempt from import licensing. The budget further exempts apples, pears, eggs, citrus fruits, pineapples, and grapes from import licenses. All these products, however, are subject to import monopoly control.

—Based on dispatch by
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Above, sheep farmers gather to learn about new beef production techniques.

Middle East Wheat Needs (Continued from page 5)

Syria, Saudi Arabia, Yemen, and Southern Yemen. Their business runs between 200,000 and 300,000 tons a year. This trade should be retained in 1971–72.

Canada has had Syria as a regular customer, usually at less than 100,000 tons. In 1970 the two countries signed an agreement for wheat at favorable interest terms, and in 1970–71 Canada shipped Syria about a quarter of a million tons. Turkey and Iraq took about 100,000 tons each, giving Canada one-eighth of this expanded regional market. In 1971–72, Canada will have its long-term Syrian market to supply, and perhaps customers in Iraq and elsewhere.

The **Soviet Union** has been a regular supplier to Afghanistan, and countries in **Eastern Europe** ordinarily sell a few cargoes to the Middle East's Mediterranean countries. A Soviet sale of 25,000 tons of wheat to Afghanistan was reported in early June, and further quantities may be supplied there. Lebanon was recently reported to have bought 20,000 tons of wheat from the Soviet Union and 10,000 tons from Bulgaria. With the prospect of a record wheat harvest in Eastern Europe, there may well be further transactions by that area with the Middle East.

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